

[7 August, 2001]

RAJYA SABHA

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH.): (a) and (b) SEBI has intimated that the BSE Sensex has declined from 5001 on March 31, 2000 to 3604 on March 31, 2001, a decline of 28%. The Sensex closed at 3329 on 31st July, 2001, which is a further decline of 7.6% from its March, 2001 level.

#### **Reasons for devaluation of rupee against US dollar**

† 1757. SHRI D.P. YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government are taking any action to check devaluation of rupee at its current lower level of Rs. 47.20 per US dollar; and

(b) if so, what are the reasons for devaluation of rupee inspite of being sufficient reserves of foreign exchange?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The exchange rate of the rupee against the US dollar is largely determined by demand and supply conditions in the foreign exchange markets in India. The rupee-dollar rate is also influenced to some extent by the strength of the US dollar in the international currency markets. Under this system, the exchange rate of the rupee against the US dollar moves in both directions on a day to day basis. On August 2, 2001, the exchange rate was Rs. 47.12 per US dollar. The Reserve Bank of India monitors closely the developments in the financial markets at home and abroad and takes such monetary and other measures as it considers necessary from time to time to smoothen excessive volatility in the exchange rate and to ensure orderly conditions in the foreign exchange market.

#### **Functioning of rural banks**

1758. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the details of financial institutions/rural banks/banks etc. functioning in the rural areas of Uttar Pradesh, Delhi, Bihar, Rajasthan, Orissa. Madhya Pradesh and NER States alongwith the details of total deposit and working capital of each bank;

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† Original notice of the question was received in Hindi.

(b) the details of unemployed youths, farmers and artisans benefited by such banks in these States during the last three years; and

(c) what effective measures are being taken by Government to attain the objectives of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI BALASAHEB VIKHE PATIL): (a) to (c) Information is being collected and to the extent available will be laid on the Table of the House.

**Narsimhan Committee Report on reforms in banking sector**

† 1759. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have accepted the main recommendations of Narsimhan Committee Report to improve the banking sector;

(b) if so, when; and

(c) to what extent these recommendations have proved to be helpful to bring about improvements?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Committee on Banking Sector Reforms under the Chairmanship of Shri M. Narsimhan has submitted its report in 1998. Most of these recommendations have been accepted. The implementation of the recommendation of the Narsimhan Committee on Banking Sector Reforms has brought about improvement in operational efficiency and strengthened financial soundness of the banking system.

**Legislation for Investors' protection**

1760. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a draft Investor Protection Bill, 2001, providing for search and seizure powers for SEBI and other mechanism for Investors' protection and capital market operators;

(b) if so, what are the details thereof; and

(c) by when a comprehensive legislation is likely to be introduced?

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